

Preliminary For Review

MINUTES

STATE BUILDING COMMISSION MEETING

SPECIAL EXECUTIVE SUB-COMMITTEE

DECEMBER 4, 2007

The State Building Commission Executive Subcommittee met this day at 10:00 a.m. in House Hearing Room 29, Legislative Plaza, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Alan Robertson, State Architect's Office
Charles Garrett, Real Property Administration
Charles Harrison, Comptroller's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Pat Haas, Bond Finance
Cindy Liddell, Bond Finance
John Carr, Finance & Administration
Mark Cherpack, Finance & Administration
Annette Crutchfield, Legislative Budget
Lois Riggins-Ezzell, State Museum
Mary Jane Crockett-Green, State Museum
Mike Morrow, Finance and Administration
Lola Potter, Finance and Administration
Jim Shulman, Finance and Administration
Representative Barbara Cooper
Representative Joe Towns, Jr.
Representative G. A. Hardaway
Rhonda Myers, State Treasurer's Office
Tamara Hanserd, Rep. Cooper's Office

DEPARTMENT OF FINANCE AND ADMINISTRATION

NATIONAL CIVIL RIGHTS MUSEUM, MEMPHIS, TENNESSEE

- 1) Commissioner Goetz called the meeting to order at 10:25 a.m. and noted that the only agenda item was for approval of a Lease Agreement between the State of Tennessee and the Lorraine Civil Rights Museum Foundation, Inc.

Comptroller Morgan stated that he had received documents that morning from Representative Barbara Cooper with changes from the LCRM Community Oversight Committee that they would like to see incorporated in the Lease. He said some of them were more style than substance, and some were substantial. Commissioner Goetz asked what the differences were in the term of the Lease. Mr. Fitts stated that the draft that was sent to the Subcommittee was for a lease term of 20 years. He said a 10 year term, with right to renew for 20 years, was discussed. Comptroller Morgan said that the compromise term recommended was a 15 year term with 15 year extension, which was supported by the Foundation.

Representative Cooper asked why there was neglect over maintenance of the Museum for over 16 years, which, she said, had caused distrust. She said she suggested a re-evaluation after 10 years, and that Greg Duckett suggested 15 years. Representative Towns was recognized and spoke on the make-up of the Board. Representative Hardaway was recognized and spoke regarding the ability of the State to enforce the Memorandum of Understanding.

Comptroller Morgan commented that the MOU does not address the make-up of the Board other than to the extent that the Foundation had agreed to 60% African American representation and they will have representatives from labor and the Tennessee legislature. Treasurer Sims stated that the MOU outlined what the Board's commitment was and he believed they will move immediately to conform. He said the Lease requires the Foundation to submit a report to the SBC describing the progress they have made on all fronts by the 5th anniversary date of the Lease.

Representative Hardaway discussed issues he had regarding the make-up of the Board. Secretary of State Darnell stated that they had a draft lease that was ready to be executed, and he believed most of the issues raised were being reasonably addressed.

Representative Hardaway asked Mr. Fitts about other Foundation Boards. Mr. Fitts replied that the State has no control over the make-up of private Foundation Boards that operate State-owned facilities, such as the TPAC and Frank G. Clement Foundation Boards. He added that the MOU was drafted by the LCRM Foundation in response to the concerns of the community and they were willing to voluntarily commit to that. Commissioner Goetz said he understood that there was a lack of trust. However, he said, the Foundation needed to be given an opportunity to execute the MOU. Comptroller Morgan stated that, at one point, the Lease was separate from the MOU and now the MOU is a part of the Lease, which gives the State better leverage. He said that, in addition, there was a reporting mechanism included in the Lease. He said he believed there will be a lot more

communication and didn't think the five years for reporting was problematic. He said the State had a basis to enforce the MOU and the remedies were against the Lease. He said he was impressed with the Foundation's interest and willingness to try and go forth, and believed the Foundation was intent on repairing their relationship with the community because that was a common interest for all. He said he didn't question personnel motives of Board members.

Representative Hardaway asked what the justification was for the Lease term. Comptroller Morgan responded that, in order to raise money for substantial improvements for the Museum, they believe that it takes certain longevity. He said that, frequently, people don't want to give their money to the State, but will give to other Foundations. He said that the length of term really creates a better opportunity to raise capital, and that it made sense to him. He added that there was an earlier discussion of tax credits, which probably started discussions of a 40 year lease, but that it was not currently on the table. Representative Hardaway asked Mr. Fitts how the term compared with other Foundations. Mr. Fitts responded that the War Memorial lease with the Veterans is a 99 year lease; TPAC has a perpetual lease; and the Hermitage property was transferred to the private foundation.

Representative Hardaway asked if the State was incapable or unwilling to conduct the audit. Comptroller Morgan replied that the State was capable, but that it was a matter of resources. He said the mechanism is in place for an adequate review and control process, as well as the ability to audit anytime. Secretary of State Darnell stated that the MOU is referenced in the Lease and they expect the commitments to be carried out, and that the State would be watching the process. He added that the community and Black Caucus had raised some good issues, but that there are some limits on how minutely the State can make the Foundation do things. He said we don't want the Board to be run out of town so the Museum closes. Comptroller Morgan added that this is normal provision and good language for an independent CPA.

Treasurer Sims made a statement that, through this whole process, everyone wants the facility to succeed. He said he has been impressed by the sincerity of the Black Caucus and community in their trying to move this forward, and he really believed that the Foundation understands they have work to do to reconnect with the community, and acknowledges in the MOU that they are committed to that. He said that everyone has done so in good faith and believed that, together, they can make the Museum world-class. He said he appreciated the coordination that Representative Cooper had provided in being an intermediary.

After discussion, Secretary of State Darnell made a motion that the SBC Executive Subcommittee approve the execution of a Lease Agreement between the Lorraine Civil Rights Museum Foundation, Inc. and the State for an initial term of 15 years commencing on January 1, 2008 and ending on December 31, 2022, with an option to renew the lease for an additional 15 year period commencing on January 1, 2023 and ending on December 31, 2037, contingent upon the Foundation substantially conforming to the requirements set forth in the Memorandum of Understanding (MOU). Further, that the independent audit required in the Lease Agreement shall address the "MOU substantial conformance requirements" in the independent auditor's report

issued at the end of Year 13 of the Lease Agreement. Treasurer Sims said he was fully supportive of, and seconded, the motion.

The Subcommittee approved the motion and further directed the staff to develop a final document for signatures considering the discussions made at this meeting. The staff, in concert with the Attorney General's Office, was directed to prepare the final document, including appropriate changes, for signature.

SBC Project No. 529/000-16-1998

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There being no further action, the meeting adjourned at 11:42 a.m.

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration

Preliminary for Review

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

DECEMBER 17, 2007

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Alan Robertson, State Architect's Office
Charles Garrett, Real Property Administration
Jurgen Bailey, Real Property Administration
Charles Harrison, Comptroller's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
John Carr, Finance & Administration
Mark Cherpack, Finance & Administration
Jerry Preston, Tennessee Board of Regents
Bob King, Real Property Administration
Dennis Raffield, THEC
Bob Bumbalough, Dept of Safety
Greg Holmes, Veterans Home Board
Don Reaville, Smith Seckman Reid
Jim Thompson, Centric Architecture
Nick DePalma, Real Property Administration
Reggie Reeves, Environment and Conservation
Mike Baumstark, Environment and Conservation
Annette Crutchfield, Legislative Budget
Russ Deaton, THEC
Diane DuPont, Tennessee Board of Regents

Cindy Liddell, Bond Finance
Karen Hale, Comptroller's Office

Commissioner Goetz called the meeting to order at 10:38 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

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TENNESSEE BOARD OF REGENTS

Tennessee Technology Center @ Nashville, Nashville, Tennessee

- 1) Mr. Fitts presented a request for approval of a revision in estimated project cost and funding from \$330,000.00 to \$598,000.00 (a \$268,000.00 increase), acknowledgement of source of funding, and authorization to award a construction contract to Bruce Adams Construction, Inc. in the amount of \$530,915.00 based upon the base bid and three alternates received November 14, 2007. for **Extension Campus Code Updates** at Tennessee Technology Center @ Nashville in Nashville, Tennessee.

When asked about the substantial increase, Jerry Preston responded that the situation started out with the budget being low, plus there were more code issues than what was anticipated. He said they would normally rebid it, but it is all basic life/safety issues. He said they got four close, solid bids and concurred with Treasurer Sims that they were probably not going to get better bids. After general discussion, Subcommittee approved the request as presented.

Revised Estimated Project Cost:	\$598,000.00
SBC Project No.	166/064-01-2006

TENNESSEE STATE VETERANS HOMES BOARD

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property as required by TCA 4-15-105 and 12-2-12.

Description:	<u>Rutherford County: 0.448 +/- acres, consisting of 0.335 +/- acres permanent utility easement and 0.113 +/- acres temporary construction easement. Located on Compton Road in Murfreesboro, TN. Trans. No. 07-12-006 (BW)</u>
Purpose:	To permit the Rutherford County Utility District to replace the existing water main on TSHV property fronting Compton Road.
Estimated Sale Price:	\$ 13,850.00
Grantee:	Consolidate Utility District
Comment:	Due to rapid growth of Murfreesboro community, it is necessary to replace the existing 12" water main with a larger 30" diameter water main in order to accommodate current and future growth. TSVH property has been appraised for \$ 13,850.00 for temporary (\$ 450.00), permanent (\$13,400.00), and will be applied towards repayment of G.O. Bonds issued through the Division of Bond Finance on behalf of MTSVH.
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-17-07. Charles Garrett presented the transaction and stated that this has no adverse affect on the property. Subcommittee approved the request as presented.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Knox County – Lot 3R, Montbrook Lane, Knoxville, TN – Trans. No. 07-05-904 (JS)**

Purpose: To provide office space for county operations

Term: January 1, 2009 thru December 31, 2018 (10 yrs)

Proposed Amount: **9,500 Square Feet**
Annual Contract Rent: \$163,380.00 @\$17.20/sf
Est. Annual Utility Cost: \$ 10,450.00 @\$ 1.10/sf
Est. Annual Janitorial Cost: \$ 10,450.00 @\$ 1.10/sf
Total Annual Effective Cost: \$184,280.00 @\$19.40/sf

Current Amount: **3,400 Square Feet**
Annual Contract Rent: \$ 34,000.00 @\$10.00/sf
Est. Annual Utility Cost: \$ 4,760.00 @ \$ 1.40/sf
Est. Annual Janitorial Cost: \$ 3,740.00 @\$ 1.10/sf
Total Annual Effective Cost: \$42,500.00 @\$12.50/sf

Type: New Lease – Advertised – Received four (4) proposals from three (3) proposers.

FRF Rate: \$18.00 per square foot

Purchase Option: Yes

Lessor: Gregory T. Smith Family Partnership, LP

Comment: Request to accept the bid of the second lowest proposer. It is for a ten (10) year lease with a purchase option for a stand alone build-to-suit facility with no cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter. Lowest proposer was the current lessor for a build out of the current location, which is in a business park. It is difficult for the public to access, the interior layout is narrow and hinders efficient and safe customer service, and parking is inadequate.

SSC Report: 12-10-07. Bill Bryan summarized the transaction. Staff referred to Sub-Committee with recommendation.

Department of Safety – continued:

SC Action: 12-17-07. Charles Garrett presented the transaction. He stated that these are considered "special use" facilities, and the Department expects to have at least 15 more to do. Treasurer Sims asked if the low proposer met all the requirements. Mr. Garrett replied that the lowest proposal was not the best conforming proposal. Treasurer Sims asked where do they draw the line. Bob King responded that there is language in the RFP that deals with proposals that are unsuitable. He added that the parking was not suitable. Mr. Garrett said that the law states that Commissioners don't have to accept a proposal. Mr. King stated that there were certain items by design that they could not modify. Bob Bumbalough said they saw this as an opportunity to get out of the existing space, and he would not recommend to the State to buy the existing property. Mr. King said they have been there for over a decade, the mall is rundown and there is no indication from the owner that anything would change. Treasurer Sims said he would like to see conversation with the lowest bidder and demand that he show how he could make the proposal work. He said that going with the second lowest means about \$1 million more will be spent over a ten-year period. Secretary of State Darnell said he understood employees wanting to be in a better location. He said the present Lessor should be afforded an opportunity to fix the problem.

After discussion, the Subcommittee approved the lease as presented with the comment by Treasurer Sims the he would feel better if the low bidder had been approached by the State with demands which would make their proposal acceptable and the Lessor given an opportunity to remedy.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Marshall County – 60 +/- acres – Chapel Hill, TN – Trans. No. 07-02-021 (FB)</u>
Purpose:	Acquisition in Fee to help protect endangered plant species.
Source of Funding:	State Land Acquisition Funds
Estimated Cost:	Fair Market Value
Owner(s):	Benjamin & Joseph Smith
SSC Report:	03-12-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	03-26-07. Subcommittee approved the transaction as presented.
Further Approval Requested:	The property was appraised on 60 +/- acres at \$2,000.00 per acre for a total purchase price of \$120,000.00. The property then was surveyed and found to be 58.37 acres. Sellers have asked for the purchase price of \$120,000.00. Request to pay the sellers this price, which is \$3,260 or 2.79% above the fair market value.
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-17-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF HUMAN SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN SURVEY, APPRAISAL and EXERCISE OPTION to ACQUIRE by EASEMENT the required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Davidson County – 0.15 +/- acre located in Citizens Plaza – Trans. No. 07-03-020 (JB)</u>
Purpose:	Acquisition by Easement to remove Central Parking from underneath Citizens Plaza for homeland security of building.
Grantor:	Central Parking
Comment:	Grantor reserves air rights over the plaza area.
SSC Report:	5-14-07. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for discussion.
SC Action:	5-21-07. Charles Garrett presented the transaction. He stated this request was to “clean up” the original arrangement made 26 years ago when the building was a mixed use facility. After discussion, Sub-Committee approved the request without objection.
Further Approval Requested:	We are requesting approval from the State Building Commission to condemn this property. The property consists of three parking spaces in the Citizen’s Plaza Building and owned by Central Parking. We have tried to obtain these spaces as requested by Homeland Security; we have been unable to get a commitment for this acquisition.
SSC Report:	12-10-07. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-17-07. Charles Garrett presented the transaction and requested proceeding with condemnation. After discussion, Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Unicoi and Greene County-10,000+/- acres located along Rocky Fork Road Transaction No. 07-10-026 RJ)</u>
Purpose:	Land is currently leased by TWRA. Want to acquire for recreational purposes. Rocky Fork acquisition.
Funding:	Heritage Conservation Trust Fund The Conservation Fund The Southeast Appalachian Highlands Conservancy
Comment:	The Southeast Appalachian Highlands Conservancy will spend \$6 million granted to them from the Heritage Conservation Trust Fund to fund Rocky Fork acquisition. The Conservation Fund will also contribute additional private dollars up to \$2 million for the benefit of TWRA on this acquisition.
SSC Report:	11-13-07. Jurgen Bailey summarized the transaction. Staff referred this to Subcommittee for discussion.
SC Action:	11-19-07. Charles Garrett presented the transaction and John Gregory, TWRA, was recognized. Commissioner Goetz asked if they were biting off a \$39 million cost in the future. Mr. Gregory responded that the Conservation Fund was; not the State. Secretary of State Darnell asked if the State was going to be obligated beyond the \$6 million, and was told "no". Treasurer Sims commented that it gets a little confusing when money is appropriated to one group and then granted back to another group. Commissioner Goetz asked that the Heritage Group explain this transaction to them next month. After discussion, the request was approved as presented.
Updated Status:	Project has been cancelled at this time.
SC Action:	12-17-07. Subcommittee approved cancellation of the project.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property as required by TCA 4-15-105 and TCA 12-2-12.

Description:	<u>Davidson County: Nashville, TN. 11.47 +/- acres to mitigate Pavillion Branch and three unnamed steam tributaries. Trans. No. 06-01-028 (RJ)</u>
Purpose:	Requesting final approval of this mitigation project
Estimated Cost:	None to the State for this mitigation project
Grantee:	Tennessee Wildlife Resources Foundation
Comment:	Tennessee Stream Mitigation Program – Joey Woodard.
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-17-07. Charles Garrett presented the transaction and stated that all requirements for the easements are in place. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WITH WAIVER of REAL ESTATE MANAGEMENT FEE in the required interest in the following real property:

Description:	<u>Greene County – 2.06 +/- acres located on Chuckey Pike Road, Chuckey, TN – Trans. No. 07-08-004 (JB)</u>
Purpose:	Acquisition in Fee of lots for construction of ICF/MR home.
Source of Funding:	2005 G.O.Bonds
Owner:	Daniel and John Smucker
SSC Report:	09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	09-24-07. Subcommittee approved the request as presented.
Further Approval Request:	Property was appraised at \$51,500.00. Request to pay negotiated price of \$58,500.00, which is 13.59% over the fair market value.
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	12-17-07. Charles Garrett presented the transaction. Comptroller Morgan commented that these kinds of facilities are not the easiest to locate. Commissioner Goetz asked if that was the reason it was over the fair market value. Treasurer Sims asked what the timing was on construction. Mr. Garrett said they were behind schedule, and Commissioner Goetz added they were under a court order to remedy the situation. After further discussion, the Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DISCUSSION ITEM

Facilities Revolving Fund

Request to amend State Building Commission policy regarding rates for Special Use Facilities. State Building Commission Policy Item 14.01, paragraph A, currently reads: "Special use facilities: driver's license testing centers, laboratories, and farms will be charged rates which reflect their respective (total) occupancy expense". Request to revise policy as follows: "Special use facilities: driver's license testing centers, laboratories, and farms will be charged rates which reflect their respective (total) occupancy expense, ***not to be less than the current applicable FRF rate for that region***".

SSC Report: 12-10-07. Charles Garrett brought the item from the floor and summarized it. Staff referred to Sub-Committee for discussion.

SC Action: 12-17-07. Charles Garrett presented the transaction for recommendation to the full Commission for approval. Subcommittee concurred with Mr. Garrett's request to recommend to the SBC for final approval.

DEPARTMENT OF FINANCE AND ADMINISTRATION

CAPITOL COMPLEX, NASHVILLE, TENNESSEE

- 1) Mr. Fitts presented a discussion of the Early Design Phase and proposed implementation plan for the **Mechanical and Electrical Upgrade** at the Capitol Complex, Nashville, Tennessee. The project manager, Nick DePalma, was recognized who stated that the project consists of the replacement and upgrade of mechanical and electrical systems at the State Capitol, Legislative Plaza and War Memorial Building. He said that the implementation of the total project will take several years, with work at the Capitol constituting the initial phase. He said that, due to the complicated logistics involved in executing the plan, it was important that those who would be asked to accommodate the work, receive adequate notice and be fully informed of the project requirements.

Don Reaville, of Smith Seckman Reid, and Jim Thompson, of Centric Architecture, made the presentation and stated that this was a very invasive project, involving all systems—mechanical, plumbing, electrical, and ductwork. They said that with the construction noise, and lack of plumbing, heat and air-conditioning, occupying the space while the work was going on would be virtually impossible. Discussions ensued as to the best time to start the project with everyone agreeing there was never going to be a *good* time.

Commissioner Goetz stated that they ought to be thinking now about what to do during next session to keep the systems up and running. When asked about doing the project in phases, Mr. Garrett responded that they had looked at all alternatives and kept coming back to emptying the Capitol. The Subcommittee commented that both Speakers and the Governor needed to be involved in the discussions as they will be making the decision. No action was required or taken.

Estimated Project Cost: \$15,966,224.00
Estimated Planning Cost: \$ 500,000.00
SBC Project No. 529/005-01-2005

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on November 19, 2007.

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Following approval of the Consent Agenda, the meeting adjourned at 11:25 a.m. Mr. Fitts then suggested, and the Subcommittee agreed, to allow the Consent Agenda items, on future agendas, to be addressed first.

CONSENT AGENDA

Review of a request for APPROVAL of the following REAL PROPERTY TRANSACTIONS, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Disposal by Easement
- B. Agency: Tennessee Board of Regents – Putnam County
Transaction: Lease Agreement
- C. Agency: Tennessee Board of Regents – Sullivan County
Transaction: Disposal by Easement
- D. Agency: Department of Safety – Rhea County
Transaction: Acquisition in Fee
- E. Agency: Department of Safety – Sevier County
Transaction: Lease Agreement
- F. Agency: Tennessee Wildlife Resources Agency – Dekalb County
Transaction: Acquisition by Easement
- G. Agency: Tennessee Wildlife Resources Agency – Greene County
Transaction: Acquisition by Lease
- H. Agency: Tennessee Wildlife Resources Agency – Obion County
Transaction: Acquisition in Fee
- I. Agency: Tennessee Wildlife Resources Agency – Montgomery County
Transaction: Disposal in Fee
- J. Agency: Department of Finance and Administration (Mental Retardation Services) – Fayette County
Transaction: Acquisition in Fee
- K. Agency: Department of Finance and Administration (Mental Retardation Services) – Shelby County
Transaction: Acquisition in Fee
- L. Agency: Department of Finance and Administration (Mental Retardation Services) – Shelby County
Transaction: Acquisition in Fee
- M. Agency: Department of Finance and Administration (Mental Retardation Services) – Shelby County
Transaction: Acquisition in Fee
- N. Agency: Department of Education – Shelby County
Transaction: Lease Agreement

A.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property as required by TCA 4-15-102 and 12-2-12.

Description:	<u>Rutherford County: .919 +/- acres, consisting of 689 +/- acres permanent utility easement and .230 +/- acres temporary construction easement. Located on Compton Road in Murfreesboro, TN. Trans. No. 07-12-005 (BW)</u>
Purpose:	To permit the Rutherford County Utility District to replace the existing water main on property fronting Compton Road at MTSU's beef farm property.
Estimated Sale Price:	\$ 26,700.00
Grantee:	Consolidate Utility District
Comment:	Due to rapid growth of Murfreesboro community, it is necessary to replace the existing 12" water main with a larger 30" diameter water main in order to accommodate current and future growth. The easement value is based on current appraised value. The permanent easement is for the line and the temporary easement is to allow construction of water lines.
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-17-07. Subcommittee approved the request as presented.

B.

TENNESSEE BOARD OF REGENTS

LAND/LEASE ITEM

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of the following real property.

Description:	<u>Putnam County: 114 +/- acres, known as "Kermit H. Lafever Farm", 8426 Kermit Lafever Road, Baxter, TN, 38544-5378. Trans. No. 07-12-007 (BW)</u>
Purpose:	Farm land to be used for the Tennessee Technological University's mission and purpose of agricultural research and teaching, which will include pasturing of livestock, forage production, and production of crops.
Term:	January 1, 2008 to December 31, 2013. Six (6) year initial term with option to renew yearly for a total lease term of up to fifteen (15) years.
Proposed Amount:	No cost to the State
Owners(s):	Brenda and Gary Waters
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-17-07. Subcommittee approved the request as presented.

C.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Sullivan County: 0.496 +/- acres, consisting of 0.39 +/- acres permanent road right-of-way easement and 0.106 +/- acres temporary construction easement. 201 Cassel Drive, Kingsport, TN (Kingsport Family Practice)Trans. No.07-11-007 (BW)</u>
Purpose:	The City of Kingsport's Transportation Department, in conjunction with Wellmont Health System is realigning Gibson Mill Road in Kingsport.
Estimated Sale Price:	\$ 8,700.00
Grantee:	City of Kingsport
SSC Report:	12-10-07. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-17-07. Subcommittee approved the request as presented.

D.

DEPARTMENT OF SAFETY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and APPROVAL TO ENTER INTO LAND LEASE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Rhea County – Spring City, TN – Trans. No. 07-08-020 (RJ)

Purpose: Acquisition in Fee of Communication Tower and leasing of land tower is located on. The tower will be used to support antenna and feed lines installed to provide expanded and more reliable coverage for THP's radio systems. This is a twenty five (25) year lease.

Source of Funding: Department of Safety THP Funds

Estimated Cost: Fair Market Value
Communications Tower - \$75,000.00
Land Lease – 25 year land lease – current rate is \$575 per month
1st / 5 year renewal - \$6,900.00 annual
2nd / 5 year renewal - \$7,935.00 annual
3rd / 5 year renewal - \$9,125.25 annual
4th / 5 year renewal - \$10,494.00 annual
5th / 5 year renewal - \$12,868.14 annual

Owner(s): Lit Systems, Inc. – owns the tower
Francis M. Maddux – owns the land

SSC Report: 09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 09-24-07. Subcommittee approved the request as presented.

Further Approval Requested: Request to acquire 1 +/- acres of land previously approved for the above mentioned lease agreement. Estimated cost is pending appraisal and survey.

SSC Report: 12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-17-07. Subcommittee approved the request as presented.

E.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Sevier County – 1201 Dolly Parton Parkway – Sevierville, TN – Trans. No. 07-05-907 (JS)

Purpose: To provide office space for county operations

Term: January 1, 2009 thru December 31, 2018 (10 yrs)

Proposed Amount: 6,500 Square Feet
Annual Contract Rent: \$ 97,500.00 @\$15.00/sf
Est. Annual Utility Cost: \$ 9,100.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 7,150.00 @\$ 1.10/sf
Total Annual Effective Cost: \$113,750.00 @\$17.50/sf

Current Amount: 2,261 Square Feet
Annual Contract Rent: \$ 24,871.00 @\$11.00/sf
Est. Annual Utility Cost: \$ 3,165.50 @ \$ 1.40/sf
Est. Annual Janitorial Cost: \$ 2,487.00 @\$ 1.10/sf
Total Annual Effective Cost: \$30,523.50 @\$13.50/sf

Type: New Lease – Advertised – Received four (4) proposals from three (3) proposers.

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi-tenant property.

Lessor: Stephen D. Layman

Comment: Ten (10) year lease with no purchase option for a stand alone build-to-suit facility on a multi-tenant property. No cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter.

SSC Report: 12-10-07. Bill Bryan brought the transaction from the floor and summarized it. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-17-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to ACQUIRE by EASEMENT with SURVEYS the required interest in the following real property,

Description: Dekalb County – Smithville, TN – 1.1 acres for easement right-of-way. Trans. No. 07-12-001 (RJ)

Purpose: To acquire right-of-way by easement. Deeded right-of-way is undescribed and the recognized road goes through the middle of Hale's property. Hale and TWRA would like to change the right-of-way to run along the fence and property line.

Source of Funding: TWRA

Estimated Cost: \$ 900.00

Owners(s): Betty Sue Hale

SSC Report: 12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-17-07. Subcommittee approved the request as presented.

G.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to ACQUIRE by LEASE with SURVEYS, required interest in the following real property

Description:	<u>Greene County – Greenville, TN – 5+/- acres for acquisition of lease. Trans. No. 07-12-002 (RJ)</u>
Purpose:	Lease of land will be added to an existing access area. Additional land will provide added riparian protection and bank fishing opportunities on the Nolichucky River.
Source of Funding:	TWRA
Estimated Cost:	Pending survey
Owners(s):	Hadley Carter
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-17-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEYS and EXERCISE OPTIONS to ACQUIRE or ACCEPT as GIFTS, required interest in the following real property, not to exceed the appraised value for the property being acquired.

Description:	<u>Obion County – Kenton, TN – 4+/- acres. Trans. No. 07-12-003 (RJ)</u>
Purpose:	Acquisition in fee to increase TWRA work base at Kenton, TN needs to be expanded to accommodate additional structures.
Source of Funding:	TWRA
Estimate Cost:	Pending appraisal and survey
Estimated Title, Appraisal and Survey:	Pending Bid results
Owners(s):	Richard Thornton
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-17-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISALS, SURVEYS and EXERCISE OPTIONS to ACQUIRE or ACCEPT as GIFTS, required interest in the following real property, not to exceed the appraised value for the property being acquired.

Description: Montgomery County – Woodlawn, TN – 1.75 +/- acres. Trans. No. 07-12-004 (RJ)

Purpose: Acquisition in fee to bring the Wildlife Management Area boundary out to the main road and also provide a work base location for this WMA.

Source of Funding: TWRA

Owners(s): Andrew Kent

SSC Report: 12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-17-07. Subcommittee approved the request as presented.

FINANCE AND ADMINISTRATION
FOR
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following property, not to exceed the appraised value for the property being acquired:

Description:	<u>Fayette County-2+/- acres located on 4955 Donelson Drive (Transaction No. 07-11-005 JB)</u>
Purpose:	Acquisition in Fee to construct four bedroom ICF/MR homes.
Funding:	SBC#346-000-05-2005
Owners:	Jamie and Bettie Surratt
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-17-07. Subcommittee approved the request as presented.

K.

FINANCE AND ADMINISTRATION
FOR
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County-4.5+/- acres located on Lubov Road in Lubov Road in Arlington, Tn (Transaction No. 07-11-006 JB)</u>
Purpose:	Acquisition in Fee to construct four bedroom ICF/MR homes.
Funding:	SBC#346-000-05-2005
Owners:	Glenn Brannick and Claire Vanderschaaf
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-17-07. Subcommittee approved the request as presented.

FINANCE AND ADMINISTRATION
FOR
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXECISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County-.66+/- acres located at 11064 Memphis - Arlington Road in Arlington, TN (Transaction No. 07-11-004 JB)</u>
Purpose:	Acquisition in Fee to construct four bedroom ICF/MR homes.
Funding:	SBC# 346-000-05-2005
Owners:	Shirley and Clovis Carnathan
SSC Report:	12-10-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda pending approval from Historical Commission for demolition.
SC Action:	12-17-07. Subcommittee approved the request as presented.

FINANCE AND ADMINISTRATION
FOR
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXECISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following property, not to exceed the appraised value for the property being acquired and APPROVAL to DEMOLISH the IMPROVEMENT:

Description:	<u>Shelby County - 5.7+/- acres located at 11034 Memphis Arlington Road in Arlington, TN (Transaction No.07-11-003 JB)</u>
Purpose:	Acquisition in Fee to construct four bedroom ICF/MR homes.
Funding:	SBC# 346-000-05-2005
Owner:	Willie and Mary L. Moore
SSC Report:	12-10-07. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	12-17-07. Subcommittee approved the request as presented.

DEPARTMENT OF EDUCATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following EMERGENCY LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 2175 Business Center Drive, Suite 20 – Memphis, TN – Trans. No. 07-12-904 (AL)

Purpose: One (1) emergency lease to provide office space for county operations

Term: January 1, 2008 thru December 31, 2009 (1 yr)

Proposed Amount: 4,480 Square Feet
Annual Contract Rent: \$ 58,240.00 @\$13.00/sf
Est. Annual Utility Cost: \$ 6,272.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 4,928.00 @\$ 1.10/sf
Total Annual Effective Cost: \$ 69,440.00 @\$15.50/sf

Current Amount: 3,285 Square Feet
Annual Contract Rent
Incl. Utilities and Janitorial Cost: \$ 33,285.26 @\$10.13/sf
Total Annual Effective Cost: \$33,285.26 @\$10.13/sf

Type: Emergency Lease - Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi-tenant building.

Lessor: CP Union

Comment: Current lessor, University of Memphis, has chosen to terminate lease LE5482 per paragraph 3 of the lease agreement. The University needs this space for their own use. The emergency lease will provide space for both the TIPS and TEIS programs.

SSC Report: 12-10-07. Bill Bryan brought the transaction from the floor and summarized it. Staff referred to Sub-Committee for consent agenda.

SC Action: 12-17-07. Subcommittee approved the request as presented.

Approved by: _____
M.D. Goetz, Jr., Commissioner
Department of Finance and Administration